

THE DEPARTMENT OF ENERGY

Office of Public Affairs

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For Immediate Release:
Tuesday, July 2, 2013

Department of Energy Releases Draft Advanced Fossil Energy Solicitation to Support Reductions in Greenhouse Gas Pollution

Washington, D.C. – As part of President Obama’s Climate Action Plan, the U.S. Department of Energy announced today a draft loan guarantee solicitation for innovative and advanced fossil energy projects and facilities that substantially reduce greenhouse gas and other air pollution. The Advanced Fossil Energy Projects solicitation, authorized by Title XVII of the Energy Policy Act of 2005 through Section 1703 of the Loan Guarantee Program, does just that. The draft solicitation will be open for comments from industry, stakeholders, and the public until early September.

The solicitation will support new or significantly improved advanced fossil energy projects and facilities – such as advanced resource development, carbon capture, low-carbon power systems, and efficiency improvements – that reduce emissions of carbon dioxide, methane, and other greenhouse gas pollution. The Energy Department will make available up to \$8 billion in loan guarantee authority through this solicitation.

“America needs an all-of-the-above approach to develop homegrown energy and steady, responsible steps to cut carbon pollution, so we can protect our kids’ health and begin to slow the effects of climate change. These investments will play a critical role in accelerating the introduction of low-carbon fossil fuel technologies into the marketplace and reduce greenhouse gas pollution,” said Secretary Moniz. “Fossil fuels currently provide more than 80 percent of our energy, and adopting technologies to use them cleanly and more efficiently is critical to our all-of-the-above approach.”

Section 1703 of Title XVII of the Energy Policy Act of 2005 authorizes the Department to support innovative clean energy technologies that avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases. Projects deploying these technologies are typically unable to obtain commercial financing due to high technology risks. Once finalized, this solicitation will be the sixth issued in support of Section 1703.

Within the draft solicitation, the Department has included a sample list illustrative of potential technologies for consideration. The Department welcomes public comment on a range of issues, including technical analysis of the specifications of these as well as other technologies, and their potential to reduce greenhouse gas emissions. The Department also welcomes comments that identify other technologies that the Department should consider supporting through this loan

guarantee solicitation. The Department will consider public feedback in defining the scope of the final solicitation.

The Department of Energy's loan programs are supporting a large, diverse \$34.4 billion portfolio of more than 30 projects including one of the world's largest wind farms; several of the world's largest solar generation and thermal energy storage systems; one of the country's first commercial scale cellulosic ethanol plants; the first new commercial nuclear power plant to be licensed and built in the U.S. in three decades; the first two all-electric vehicle manufacturing facilities in the U.S.; and more than a dozen new or retooled auto manufacturing plants across the country. One recipient – Tesla Motors – recently repaid the entire remaining balance on its \$465 million loan nine years ahead of schedule. More information is available on lpo.energy.gov.

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